



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR


KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012
TELEPHONE: (213) 974-2101 FAX: (213) 625-2249



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

February 17, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: UNDERWRITER SELECTION AND POOL FORMATION

In January 2001, this office created its second pool of underwriting firms to provide investment banking services to the County. Firms were selected to serve in certain capacities based on an evaluation of their responses to a Request for Qualifications. This pool, which has been in place for the past five years, expired in December 2005. During this five-year period, it has been an effective mechanism to pre-qualify and select underwriting firms for participation in County debt financings.

Similar to our pool formation process in 2001, this office recently solicited registered investment banking firms for their qualifications to provide underwriting services to the County. Requests were e-mailed to sixty-two firms with offices in California and a notice was placed on the County's Office of Small Business website. We received and evaluated thirty-eight responses. Of these, thirty-six firms were approved for participation in the underwriting pool, while two firms did not meet the minimum requirements. A list of the approved firms is attached for your information.

Following a thorough evaluation of their respective qualifications, approved firms have been placed in various categories to compete for future financing assignments. These categories are: Medium/Long-Term Debt, Short-Term Debt, and Land-Secured Debt. Individual firms have not necessarily been selected to serve in each category and the number of firms selected for a category varies depending on the type of debt issuance. Firms are further classified based primarily on experience and net capital to serve as Senior Manager, Co-Manager or an Emerging Firm. By definition, Emerging Firms are small businesses with net capital of less than \$1.5 million.

Senior Managers on County debt financings will be selected from the pool of qualified firms through an abridged Request for Proposals process and will be evaluated on price, financing structure, and expertise. Additional members of the underwriting syndicate will be chosen on the basis of a modified rotation, with emphasis given to a firm's ability to execute the specific transaction. As is the current practice, the selected underwriters will be presented to your Board for approval on each financing.

As in the past, this pool will initially be in place for one year and may be extended up to four additional years. If you have any questions, please contact me directly or have your staff call Glenn Byers of my office at 974-7175.

MJS:GB:DB:SM
pb/sm/uwpool not to bos

Attachment

c: Executive Officer-Board of Supervisors
Chief Administrative Officer
County Counsel
Auditor-Controller

Final Pool Placement - 2006

LAND SECURED

SENIOR MANAGERS

Banc of America
Citigroup
De La Rosa Investment
Prager, Sealy & Co., LLC
RBC Dain Rauscher, Inc.
Southwest Securities, Inc.
Stone & Youngberg LLC
UBS Financial Services, Inc.

CO-MANAGERS

M. L. Stern & Co., LLC
M. R. Beal & Company
Piper Jaffray & Co.
Wedbush Morgan Securities

EMERGING FIRMS

Alamo Capital
Jackson Securities
Westhoff, Cone & Holmstedt

MEDIUM / LONG TERM

SENIOR MANAGERS

Banc of America
Bear Stearns
Citigroup
Goldman, Sachs & Co.
JP Morgan Chase & Co.
Lehman Brothers
Merrill Lynch & Co.
Morgan Stanley
UBS Financial Services, Inc.

CO-MANAGERS

A.G. Edwards & Sons, Inc.
De La Rosa Investment
First Albany Capital
First Southwest Company
George K. Baum & Company
Loop Capital Markets, LLC
M. L. Stern & Co., LLC
M. R. Beal & Company
Oppenheimer & Co., Inc.
Piper Jaffray & Co.
Popular Securities, Inc.
Prager, Sealy & Co., LLC
Ramirez & Co., Inc.
RBC Dain Rauscher, Inc.
Siebert Brandford Shank & Co., LLC
Southwest Securities, Inc.
Stone & Youngberg LLC
Wedbush Morgan Securities

EMERGING FIRMS

Alamo Capital
Backstrom McCarley Berry & Co.
Cabrera Capital Markets, Inc.
Estrada Hinojosa Investment
Great Pacific Securities
Grigsby & Associates, Inc.
Jackson Securities
SBK Brooks Investment Corp.
Westhoff, Cone & Holmstedt

SHORT TERM

SENIOR MANAGERS

Banc of America
Bear Stearns
Citigroup
Goldman, Sachs & Co.
JP Morgan Chase & Co.
Lehman Brothers
Merrill Lynch & Co.
Morgan Stanley

CO-MANAGERS

A.G. Edwards & Sons, Inc.
De La Rosa Investment
First Albany Capital
First Southwest Company
George K. Baum & Company
Loop Capital Markets, LLC
M. R. Beal & Company
Oppenheimer & Co., Inc.
Piper Jaffray & Co.
Prager, Sealy & Co., LLC
Ramirez & Co., Inc.
RBC Dain Rauscher, Inc.
Siebert Brandford Shank & Co., LLC
Southwest Securities, Inc.

EMERGING FIRMS

Alamo Capital
Backstrom McCarley Berry & Co.
Cabrera Capital Markets, Inc.
Estrada Hinojosa Investment
Great Pacific Securities
Jackson Securities
SBK Brooks Investment Corp.
Westhoff, Cone & Holmstedt